AMENDMENTS TO CLAIMS

This listing of claims will replace all prior versions, and listings, of claims in the application.

1. (Currently Amended) A method of allocating or controlling an amount of bits for encoding of source data, including:

(i) defining a target bit rate for the encoding of the source data;

(ii) defining collections of coefficients of the source data;

(iii) defining a global coding order of the collections of coefficients;

(iv) defining a plurality of coding units and corresponding allowable truncation points for each of said collections of coefficients;

(v) defining a local coding order of said coding units for each of said collections of coefficients;

(vi) defining a rate value and a distortion value for each of said coding units of each of said collections of coefficients;

(vii) defining an adaptive threshold value for each of said coding units of each of said collections of coefficients; and

(viii) encoding each of the collections of coefficients in turn according to the global coding order, wherein if a predetermined termination criterion is not met for a particular coding unit of the plurality of coding units of one of the collections of coefficients, the particular coding unit will be included in an output code-stream, and if the -termination criterion is met, an encoding of the one of the collection of coefficients is terminated.

2. (Currently Amended) The method ~~as claimed in~~of claim 1, wherein said collections of coefficients of the data are code-blocks.

3. (Currently Amended) The method ~~according to~~of claim 1, ~~in which~~wherein the rate value is an amount of bits needed to encode the particular coding unit, or a first neighboring coding unit according to the local coding order, of the one of the collections of

coefficients and the distortion value is a distortion reduction due to an including of the coding unit in the output code-stream, or the including of a second neighboring coding unit according to the local coding order of the collection of coefficients.

4. (Currently Amended) The method of~~according to~~ claim 3, ~~in which~~wherein a rate-distortion value is computed from the rate value and the distortion value, and the termination criterion is that the rate-distortion value is below ~~a~~the adaptive threshold value.

5. (Currently Amended) The method of~~according to~~ claim 4, ~~in which~~wherein the rate-distortion value is a fractional number with a denominator being the rate value and a numerator being the distortion value for each said coding unit of each said collection of coefficients.

6. (Currently Amended) The method of~~according to~~ claim 4, ~~in which~~wherein the rate-distortion value is a fractional number with a denominator being the rate value and a numerator being the distortion value for each said coding unit.

7. (Currently Amended) The method of~~according to~~ claim 4, ~~in which~~wherein the adaptive threshold value is a predetermined constant common to either ~~all the collections of coefficients,~~ all the coding units of the one of the collections of coefficients, or fewer than all of the coding units of the one of the collections of coefficients.

8. (Currently Amended) The method of~~according to~~ claim 4, ~~in which~~wherein the adaptive threshold value is a fractional number with a denominator being a difference between the target bit rate and a total amount of bits used to encode all ~~past~~previously-encoded ~~code-blocks~~collections of coefficients according to the global coding order and ~~all earlier~~previously-encoded coding units of the one of the collection of coefficients according to the local coding order, and a numerator being an amount of distortion if the encoding terminates at that coding unit or a neighboring coding unit according to the local coding order.

9. (Currently Amended) The method of ~~according to~~ claim 4, ~~in which~~ wherein the adaptive threshold value is a product of (a) a fractional number with a denominator being a difference between the target bit rate and a total amount of bits used to encode all past collections of coefficients according to the global coding order and all earlier coding units of the one of the collection of coefficients according to the local coding order, and a numerator being an amount of distortion if the encoding terminates at that coding unit, or a neighboring unit according to the local coding order, and (b) an additional weighting factor.

10. (Currently Amended) The method of ~~according to~~ claim 1, ~~in which~~ wherein the collections of coefficients are code-blocks of coefficients of the source data in a data transform domain.

11. (Currently Amended) The method of ~~according to~~ claim 1, ~~in which~~ wherein the collections of coefficients are code-blocks of coefficients in a data transform domain, and each coding unit is any intermediate coding pass.

12. (Currently Amended) The method of ~~according to~~ claim 11, wherein the data transform domain is a discrete wavelet domain in accordance with JPEG2000 and the any intermediate coding pass is a significance pass, a refinement pass, or a cleanup pass in accordance with JPEG2000.

13. (Currently Amended) The method of ~~according to~~ claim 1, ~~in which~~ wherein the collections of coefficients are code-blocks of coefficients in a data transform domain, and the global coding order is predefined.

14. (Currently Amended) The method of ~~according to~~ claim 1, ~~in which~~ wherein the collections of coefficients are code-blocks of coefficients in a data transform domain of data formed by a difference of a the source data and another source data.

15. (Withdrawn) A method of allocating or controlling the amount of bits for the encoding of source data, including:

(i) defining the target bit rate for the encoding of the data;

(ii) defining collections of coefficients of the source data in the source data domain or in a data transform domain;

(iii) defining a first global coding order of the said collections of coefficients;

(iv) defining a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) defining a second local coding order of the said coding units for each said collection of coefficients;

(vi) defining a priority level of each said collection of coefficients;

(vii) defining a global priority level for the said data;

wherein, starting with the global priority level being the highest priority level among all collections of coefficients, all the collections of coefficients are examined one at a time, wherein for a collection of coefficients with priority level equal to the global priority level, the first un-encoded coding unit according to the local coding order is encoded and the priority level of the said collection of coefficients is reduced by one, wherein after all the collections of coefficients are examined, the global priority level is decreased by one and all the collections of coefficients are examined again, and the process continues iteratively until it terminates when the total amount of bits used is greater than the target bit rate, or when all the details of all the collections of coefficients have been encoded.

16. (Withdrawn) A method as claimed in claim 15 wherein in the case of termination when the total bits exceed the target bit rate, the last coding units being encoded immediately before the total bits exceed the target bit rate may or may not be removed from the output code-stream.

17. (Withdrawn) A method as claimed in claim 15 wherein in the case of termination when the total bits exceed the target bit rate, some additional un-encoded coding units of some code-blocks may or may not be encoded.

18. (Withdrawn) A method as claimed in claim 15 wherein said collections of coefficients are code-blocks of coefficients in a data transform domain.

19. (Withdrawn) A method of allocating or controlling the amount of bits for the encoding of source data, including: (i) defining the target bit rate for the encoding of the data;

(ii) defining collections of coefficients of the source data;

(iii) defining a first global coding order of the said collections of coefficients;

(iv) defining a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) defining a second local coding order of the said coding units for each said collection of coefficients;

(vi) defining a priority level of each said collection of coefficients;

(vii) defining a rate-distortion value for each said coding unit of each said collection of coefficients; wherein, starting with the current priority level being the highest priority level among all collections of coefficients, all the collections of coefficients are examined one at a time, wherein for a collection of coefficients with a priority level equal to the current priority level, the first un-encoded coding unit according to the local coding order is encoded and the priority level of the said collection of coefficients is reduced by one, wherein after all the collections of coefficients are examined, the current priority level is decreased by one and all the collections of coefficients are examined again, and the process continues iteratively until the total amount of bits used is greater than the target bit rate and the encoded coding unit with the least rate-distortion slope is removed and wherein this process is repeated until the total amount of bits used is less than or equal to the target bit rate.

20. (Withdrawn) A method of allocating or controlling the amount of bits for the encoding of source data, including:

(i) defining the target bit rate for the encoding of the source data;

(ii) defining collections of coefficients of the source data;

(iii) defining a first global coding order of the said collections of coefficients;

(iv) defining a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) defining a second local coding order of the said coding units for each said collection of coefficients;

(vi) defining a priority level of each said collection of coefficients;

(vii) defining a rate-distortion value for each said coding unit of each said collection of coefficients;

wherein, starting with the current priority level being the highest priority level among all collections of coefficients, all the collections of coefficients are examined one at a time, wherein for a collection of coefficients with priority level equal to the current priority level, the first un-encoded coding unit according to the local coding order is encoded and the priority level of the said collection of coefficients is reduced by one, wherein after all the collections of coefficients are examined, the current priority level is decreased by one and all the collections of coefficients are examined again, and the process continues iteratively until the total amount of bits used is greater than the target bit rate at which point the global minimum rate-distortion slope among all the coding units of all the collections of coefficients is found and more encoding is performed in all the collections of coefficients, and wherein for each collection of coefficients, all the un-encoded coding units are encoded according to the local coding order until the rate-distortion slope is smaller than the global minimum rate-distortion slope and then the rate-distortion optimised rate-distortion slope is computed and used to select the optimal truncation for the coding units.

21. (Withdrawn) A method according to claim 19 wherein the rate-distortion slope is a function of the rate value which is the amount of bits needed to encode the said coding unit, or a first neighboring coding unit according to the local coding order of the said collection of coefficients and the distortion value is the distortion reduction due to the encoding of the said coding unit of the said collection of coefficients, or the encoding of a second neighboring coding unit according to the local coding order of the said collection of coefficients.

22. (Withdrawn) A method according to claim 21 wherein the rate-distortion value is a fractional number with the denominator being the said rate value and the numerator being the said distortion value for each said coding unit.

23. (Withdrawn) A method according to claim 21 wherein the rate-distortion value is a fractional number with the denominator being the said rate value and the numerator being the said distortion value for each said coding unit, multiplied by a scaling factor value.

24. (Currently Amended) The method of~~according to~~ claim 14, ~~in which~~wherein the code-blocks are examined according to the global coding order.

25. (Withdrawn) A method according to claim 19 in which the priority level of each said code-block is equal to the total number of coding units needed to fully specify the said code-block.

26. (Withdrawn) A method according to claim 19 in which the collections of coefficients are the code-blocks of coefficients in the discrete wavelet transform domain of the image or image tile, and the coding unit can be the significance pass, refinement pass or cleanup pass of JPEG2000.

27. (Withdrawn) A method according to claim 19 in which the priority level of each said code-block is a linear function of the total number of bit planes needed to fully describe the wavelet coefficients.

28. (Currently Amended) An article of manufacture comprising:

a ~~storage~~ computer-readable medium; and

a plurality of programming instructions stored on the ~~storage~~computer-readable medium and configured to program an apparatus to:

(i) define a target bit rate for encoding of source data;

(ii) define collections of coefficients of the source data;

(iii) define a first coding order of the collections of coefficients;

(iv) define a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) define a second coding order of the coding units for each said collection of coefficients;

(vi) define a rate value and a distortion value for each said coding unit of each said collection of coefficients;

(vii) define an adaptive threshold value for each said coding unit of each said collection of coefficients;

wherein said plurality of programming instructions is configured to program the apparatus to operate such that, starting from the first coding unit according to the ~~local~~ second coding order of a particular collection of coefficients, if a predetermined termination criterion is not met for a particular coding unit, include the particular coding unit in an output code-stream, and if the termination criterion is met for the particular coding unit, terminating an encoding of the particular collection of coefficients.

29. (Currently Amended) The article of manufacture of~~as claimed in~~ claim 28, wherein said collections of coefficients of the data are code-blocks.

30. (Currently Amended) The article of manufacture of~~as claimed in~~ claim 28, wherein the rate value is an amount of bits needed to encode the particular coding unit, or a first neighboring coding unit according to the ~~local~~ second coding order, of the collection of coefficients and the distortion value is either a distortion reduction due to an encoding of the particular coding unit of the particular collection of coefficients, or an encoding of a second neighboring coding unit according to the ~~local~~ second coding order of the collection of coefficients.

31. (Currently Amended) The article of manufacture of~~according to~~ claim 30, wherein the plurality of programming instructions is further configured to program the appratus to compute from the rate value and the distortion value for said the particular coding

unit s, and wherein the termination criterion is that the rate-distortion value is below ~~a~~ the adaptive threshold.

32. (Currently Amended) The article of manufacture of~~according to~~ claim 31, ~~in which~~ wherein the rate-distortion value is a fractional number with a denominator being the rate value and a numerator being the distortion value for ~~said~~ the particular coding unit.

33. (Currently Amended) The article of manufacture of~~according to~~ claim 31, ~~in which~~ wherein the rate-distortion value is a fractional number with a denominator being the rate value and a numerator being the distortion value for each said coding unit.

34. (Currently Amended) The article of manufacture of~~according to~~ claim 31, ~~in which~~ wherein the adaptive threshold value is a predetermined constant common to either all the collections of coefficients, or all the coding units of the particular collection of coefficients, less than all coding units of the particular collections of coefficients, or no coding units.

35. (Currently Amended) The article of manufacture of~~according to~~ claim 31, ~~in which~~ wherein the adaptive threshold value is a fractional number with a denominator being a difference between the target bit rate and a total amount of bits used to encode all past code-blocks according to the ~~global~~ first coding order and all earlier coding units of the particular current collection of coefficients according to the ~~local~~ second coding order, and a numerator being an amount of distortion if the encoding terminates at the particular coding unit or a neighboring coding unit according to the ~~local~~ second coding order.

36. (Currently Amended) The article of manufacture according to claim 31, ~~in which~~ wherein the adaptive threshold value is a product of (a) a fractional number with a denominator being a difference between the target bit rate and a total amount of bits used to encode all past collections of coefficients according to the ~~global~~ first coding order and all earlier coding units of the particular current collection of coefficients according to the ~~local~~

second coding order, and a numerator being an amount of distortion if the encoding terminates at the particular coding unit, or a neighboring coding unit according to the ~~local~~ second coding order, and (b) an additional weighting factor.

37. (Currently Amended) The article of manufacture of~~according to~~ claim 28, ~~in which~~wherein the collections of coefficients the are code-blocks of coefficients of the source data in a data transform domain.

38. (Currently Amended) The article of manufacture of~~according to~~ claim 28, ~~in which~~wherein the collections of coefficients are code-blocks of coefficients in a data transform domain, and the particular coding unit is an intermediate coding pass.

39. (Currently Amended) The article of manufacture of~~according to~~ claim 38, wherein the data transform domain is a discrete wavelet domain and the intermediate coding pass is a significance pass, a refinement pass or a cleanup pass.

40. (Currently Amended) The article of manufacture of~~according to~~ claim 28, ~~in which~~wherein the collections of coefficients are code-blocks of coefficients in a data transform domain, and the first coding order is predefined.

41. (Currently Amended) The article of manufacture of~~according to~~ claim 28, ~~in which~~wherein the collections of coefficients are code-blocks of coefficients in a data transform domain of data formed by a difference of a first source data and a second source data.

42. (Withdrawn) A software product for allocating or controlling the amount of bits for the encoding of source data, said software product including means for enabling the steps of:

(i) defining the target bit rate for the encoding of the data;

(ii) defining collections of coefficients of the source data in the source data domain or in a data transform domain;

(iii) defining a first global coding order of the said collections of coefficients;

(iv) defining a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) defining a second local coding order of the said coding units for each said collection of coefficients;

(vi) defining a priority level of each said collection of coefficients;

(vii) defining a global priority level for the said data;

wherein said software product operates such that, starting with the global priority level being the highest priority level among all collections of coefficients, all the collections of coefficients are examined one at a time, wherein for a collection of coefficients with priority level equal to the global priority level, the first un-encoded coding unit according to the local coding order is encoded and the priority level of the said collection of coefficients is reduced by one, wherein after all the collections of coefficients are examined, the global priority level is decreased by one and all the collections of coefficients are examined again, and the process continues iteratively until it terminates when the total amount of bits used is greater than the target bit rate, or when all the details of all the collections of coefficients have been encoded.

43. (Withdrawn) A software product as claimed in claim 42 wherein in the case of termination when the total bits exceed the target bit rate, the last coding units being encoded immediately before the total bits exceed the target bit rate may or may not be removed from the output code-stream.

44. (Withdrawn) A software product as claimed in claim 42 wherein in the case of termination when the total bits exceed the target bit rate, some additional un-encoded coding units of some code-blocks may or may not be encoded.

45. (Withdrawn) A software product as claimed in claim 42 wherein said collections of coefficients are code-blocks of coefficients in a data transform domain.

46. (Withdrawn) A software product for allocating or controlling the amount of bits for the encoding of source data, said software product including means for:

(i) defining the target bit rate for the encoding of the data;

(ii) defining collections of coefficients of the source data;

(iii) defining a first global coding order of the said collections of coefficients;

(iv) defining a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) defining a second local coding order of the said coding units for each said collection of coefficients;

(vi) defining a priority level of each said collection of coefficients;

(vii) defining a rate-distortion value for each said coding unit of each said collection of coefficients;

wherein said software product operates such that, starting with the current priority level being the highest priority level among all collections of coefficients, all the collections of coefficients are examined one at a time, wherein for a collection of coefficients with a priority level equal to the current priority level, the first un-encoded coding unit according to the local coding order is encoded and the priority level of the said collection of coefficients is reduced by one, wherein after all the collections of coefficients are examined, the current priority level is decreased by one and all the collections of coefficients are examined again, and the process continues iteratively until the total amount of bits used is greater than the target bit rate and the encoded coding unit with the least rate-distortion slope is removed and wherein this process is repeated until the total amount of bits used is less than or equal to the target bit rate.

47. (Withdrawn) A software product for allocating or controlling the amount of bits for the encoding of source data, said software product including means for enabling the steps of:

(i) defining the target bit rate for the encoding of the data;

(ii) defining collections of coefficients of the source data;

(iii) defining a first global coding order of the said collections of coefficients;

(iv) defining a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) defining a second local coding order of the said coding units for each said collection of coefficients;

(vi) defining a priority level of each said collection of coefficients;

(vii) defining a rate-distortion value for each said coding unit of each said collection of coefficients;

wherein said software product operates such that, starting with the current priority level being the highest priority level among all collections of coefficients, all the collections of coefficients are examined one at a time, wherein for a code-block with priority level equal to the current priority level, the first un-encoded coding unit according to the local coding order is encoded and the priority level of the said collection of coefficients is reduced by one, wherein after all the collections of coefficients are examined, the current priority level is decreased by one and all the collections of coefficients are examined again, and the process continues iteratively until the total amount of bits used is greater than the target bit rate at which point the global minimum rate-distortion slope among all the coding units of all the collections of coefficients is found and more encoding is performed in all the collections of coefficients, and wherein for each collection of coefficients, all the un-encoded coding units are encoded according to the local coding order until the rate-distortion slope is smaller than the global minimum rate-distortion slope and then the rate-distortion optimised rate-distortion slope is computed and used to select the optimal truncation for the coding units.

48. (Withdrawn) A software product according to claim 46 wherein the rate-distortion slope is a function of the rate value which is the amount of bits needed to encode the said coding unit, or a first neighboring coding unit according to the local coding order of the said collection of coefficients and the distortion value is the distortion reduction due to the encoding of the said coding unit of the said collection of coefficients, or the encoding of a

second neighboring coding unit according to the local coding order of the said collection of coefficients.

49. (Withdrawn) A software product according to claim 48 wherein the rate-distortion value is a fractional number with the denominator being the said rate value and the numerator being the said distortion value for each said coding unit.

50. (Withdrawn) A software product according to claim 48 wherein the rate-distortion value is a fractional number with the denominator being the said rate value and the numerator being the said distortion value for each said coding unit, multiplied by a scaling factor value.

51. (Currently Amended) The article of manufacture of~~according to~~ claim 41, ~~in which~~wherein plurality of programming instructions are further configured to program the apparatus to examine the code-blocks according to the global coding order.

52. (Withdrawn) A software product according to claim 46 in which the priority level of each said code-block is equal to the total number of coding units needed to fully specify the said code-block.

53. (Withdrawn) A software product according to claim 46 in which the collections of coefficients are the code-blocks of coefficients in the discrete wavelet transform domain of the image or image tile, and the coding unit can be the significance pass, refinement pass or cleanup pass of JPEG2000.

54. (Withdrawn) A software product according to claim 46 in which the priority level of each said code-block is a linear function of the total number of bit planes needed to fully describe the wavelet coefficients.

55. (Currently Amended) An apparatus comprising:

(i) means for defining a target bit rate for encoding source data;

(ii) means for defining collections of coefficients of the source data;

(iii) means for defining a first coding order of the collections of coefficients;

(iv) means for defining a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) means for defining a second coding order of the coding units for each said collection of coefficients;

(vi) means for defining a rate value and a distortion value for each said coding unit of each said collection of coefficients;

(vii) means for defining an adaptive threshold value for each said coding unit of each said collection of coefficients;

wherein said apparatus operates such that, starting from a first coding unit according to the ~~local~~ second coding order of a said collection of coefficients, if a predetermined termination criterion is not met for a particular coding unit, the particular coding unit will be included in an output code-stream, and if the termination criterion is met, an encoding of the collection of coefficients is terminated and no further coding unit according to the ~~local~~ second coding order of the collection of coefficients will be encoded.

56. (Currently Amended) The apparatus as claimed in claim 55, wherein said collections of coefficients of the data are code-blocks.

57. (Currently Amended) The apparatus as claimed in claim 55, ~~in which~~wherein the rate value is an amount of bits needed to encode the particular coding unit, or a first neighboring coding unit according to the ~~local~~ second coding order, of the collection of coefficients and the distortion value is a distortion reduction due to the encoding of the particular coding unit of the collection of coefficients, or the encoding of a second neighboring coding unit according to the ~~local~~ second coding order of the collection of coefficients.

58. (Canceled)

59. (Canceled)

60. (Canceled)

61. (Canceled)

62. (Canceled)

63. (Canceled)

64. (Canceled)

65. (Canceled)

66. (Canceled)

67. (Canceled)

68. (Canceled)

69. (Withdrawn) Apparatus for allocating or controlling the amount of bits for the encoding of source data, said apparatus including means for enabling the steps of:

(i) defining the target bit rate for the encoding of the data;

(ii) defining collections of coefficients of the source data in the source data domain or in a data transform domain;

(iii) defining a first global coding order of the said collections of coefficients;

(iv) defining a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) defining a second local coding order of the said coding units for each said collection of coefficients;

(vi) defining a priority level of each said collection of coefficients;

(vii) defining a global priority level for the said data;

wherein said apparatus operates such that, starting with the global priority level being the highest priority level among all collections of coefficients, all the collections of coefficients are examined one at a time, wherein for a collection of coefficients with priority level equal to the global priority level, the first un-encoded coding unit according to the local coding order is encoded and the priority level of the said collection of coefficients is reduced by one, wherein after all the collections of coefficients are examined, the global priority level is decreased by one and all the collections of coefficients are examined again, and the process continues iteratively until it terminates when the total amount of bits used is greater than the target bit rate, or when all the details of all the collections of coefficients have been encoded.

70. (Withdrawn) Apparatus as claimed in claim 69 wherein in the case of termination when the total bits exceed the target bit rate, the last coding units being encoded immediately before the total bits exceed the target bit rate may or may not be removed from the output code-stream.

71. (Withdrawn) Apparatus as claimed in claim 69 wherein in the case of termination when the total bits exceed the target bit rate, some additional un-encoded coding units of some code-blocks may or may not be encoded.

72. (Withdrawn) Apparatus as claimed in claim 69 wherein said collections of coefficients are code-blocks of coefficients in a data transform domain.

73. (Withdrawn) Apparatus for allocating or controlling the amount of bits for the encoding of source data, said apparatus including means for:

(i) defining the target bit rate for the encoding of the data;

(ii) defining collections of coefficients of the source data;

(iii) defining a first global coding order of the said collections of coefficients;

(iv) defining a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) defining a second local coding order of the said coding units for each said collection of coefficients;

(vi) defining a priority level of each said collection of coefficients;

(vii) defining a rate-distortion value for each said coding unit of each said collection of coefficients;

wherein said apparatus operates such that, starting with the current priority level being the highest priority level among all collections of coefficients, all the collections of coefficients are examined one at a time, wherein for a collection of coefficients with a priority level equal to the current priority level, the first un-encoded coding unit according to the local coding order is encoded and the priority level of the said collection of coefficients is reduced by one, wherein after all the collections of coefficients are examined, the current priority level is decreased by one and all the collections of coefficients are examined again, and the process continues iteratively until the total amount of bits used is greater than the target bit rate and the encoded coding unit with the least rate-distortion slope is removed and wherein this process is repeated until the total amount of bits used is less than or equal to the target bit rate.

74. (Withdrawn) Apparatus for allocating or controlling the amount of bits for the encoding of source data, said apparatus including means for enabling the steps of:

(i) defining the target bit rate for the encoding of the data;

(ii) defining collections of coefficients of the source data;

(iii) defining a first global coding order of the said collections of coefficients;

(iv) defining a plurality of coding units and corresponding allowable truncation points for each said collection of coefficients;

(v) defining a second local coding order of the said coding units for each said collection of coefficients;

(vi) defining a priority level of each said collection of coefficients;

(vii) defining a rate-distortion value for each said coding unit of each said collection of coefficients;

wherein said apparatus operates such that, starting with the current priority level being the highest priority level among all collections of coefficients, all the collections of coefficients are examined one at a time, wherein for a code-block with priority level equal to the current priority level, the first un-encoded coding unit according to the local coding order is encoded and the priority level of the said collection of coefficients is reduced by one, wherein after all the collections of coefficients are examined, the current priority level is decreased by one and all the collections of coefficients are examined again, and the process continues iteratively until the total amount of bits used is greater than the target bit rate at which point the global minimum rate-distortion slope among all the coding units of all the collections of coefficients is found and more encoding is performed in all the collections of coefficients, and wherein for each collection of coefficients, all the un-encoded coding units are encoded according to the local coding order until the rate-distortion slope is smaller than the global minimum rate-distortion slope and then the rate-distortion optimised rate-distortion slope is computed and used to select the optimal truncation for the coding units.

75. (Withdrawn) Apparatus according to claim 73 wherein the rate-distortion slope is a function of the rate value which is the amount of bits needed to encode the said coding unit, or a first neighboring coding unit according to the local coding order of the said collection of coefficients and the distortion value is the distortion reduction due to the encoding of the said coding unit of the said collection of coefficients, or the encoding of a second neighboring coding unit according to the local coding order of the said collection of coefficients.

76. (Withdrawn) Apparatus as claimed in claim 75 wherein the rate-distortion value is a fractional number with the denominator being the said rate value and the numerator being the said distortion value for each said coding unit.

77. (Withdrawn) Apparatus as claimed in claim 75 wherein the rate-distortion value is a fractional number with the denominator being the said rate value and the numerator being the said distortion value for each said coding unit, multiplied by a scaling factor value.

78. (Canceled)

79. (Withdrawn) Apparatus as claimed in claim 73 in which the priority level of each said code-block is equal to the total number of coding units needed to fully specify the said code-block.

80. (Withdrawn) Apparatus as claimed in claim 73 in which the collections of coefficients are the code-blocks of coefficients in the discrete wavelet transform domain of the image or image tile, and the coding unit can be the significance pass, refinement pass or cleanup pass of JPEG2000.

81. (Withdrawn) Apparatus as claimed in claim 73 in which the priority level of each said code-block is a linear function of the total number of bit planes needed to fully describe the wavelet coefficients.

82 – 91 (Cancelled)